

and was at first exclusively an institution of state. It continued to be a state institution until 1846, when the new demands for capital for railways and for the extension of commercial relations led to an extension of the scope of the bank and an appeal to private capital to carry it on. Two ordinances of April 14 and July 18, 1846, authorized the increase of the capital by a sum of 10,000,000 thalers (\$7,500,000) and admitted the shareholders to a part in the administration by means of a central commission composed of fifteen members, who were authorized to appoint a committee of three to exercise a regular supervision over the acts of the directors.¹ The capital owned by the State had been increased by the setting aside of profits until it had reached in 1846 i, 197,553 thalers (\$900,000), and the portion furnished by the public was increased in May, 1856, to 15,000,000 thalers and again by the law of September 24, 1866, to 20,000,000 thalers, (\$15,000,000), divided into shares of a par value of one thousand thalers each. The capital credited to the state had been increasing in the meantime until it attained in December, 1867, a total of 1,897,800 thalers (\$1,425,000).

The government took care to keep its hands firmly on the direction of the bank, in spite of the new privileges given the shareholders, and limited the right to participate in the general assembly of shareholders to the two hundred holding the largest amount of stock domiciled in Prussia. Supreme control was reserved directly and exclusively to a privy council (*Bank Kuratoriuni*), composed of the President of the Council of Ministers, the Ministers of Finance, of Justice, and of Commerce, and a fifth member named by the King. The direct management also was confided to a director and a committee of direction appointed upon the King's nomination. This official control was compensated in a measure by exemptions from imposts and from certain taxes which were imposed upon other similar establishments. The bank was compelled, however, to pay interest on the deposit of the public funds and to pay three and a half per

¹ Noel, I., 246.